



McGregor W. Scott
United States Attorney
Eastern District of California

NEWS RELEASE

Sacramento
501 I. Street, Ste 10-100
Sacramento CA 95814
Tel: (916) 554-2700
TTY: (916) 554-2855

Fresno
2500 Tulare Street, Ste 4401
Fresno, CA 93721
Tel: (559) 497-4000
TTY: (559) 497-4500

FOR IMMEDIATE RELEASE

April 21, 2006

Contact: Patricia Pontello, 916-554-2706

<http://www.usdoj.gov/usao/cae>

FOUR CHARGED WITH FILING FALSE TAX RETURNS
FOR SACRAMENTO LAW FIRM

*Local attorney pleads guilty to aiding and abetting false law firm
tax returns skimming \$1.7 million for three years for which \$606,989
income taxes were due; three others also charged*

SACRAMENTO-- United States Attorney McGregor W. Scott and IRS Criminal Investigation Special Agent in Charge (SAC) Roger L. Wirth announced today that a federal grand jury returned a three-count indictment, late yesterday, charging WAYNE MAJORS, also known as Jay Miller, age 52, of Sacramento and Reno, LEAH ANDERSON, also known as Jennifer Metzger, age 35, of Sacramento and Reno, and SANDRA VILLEGAS, age 55, of Sacramento, with filing corporate income tax returns which were false with regard to a material matter. The corporation income tax returns pertained to the American Law Center, P.C. for the tax years ending December 31, 1999, 2000 and 2001. The American Law Center, now known as the American Attorney Center, advertises widely on television stations in the Sacramento area.

This case is the product of an extensive investigation by the IRS.

United States Attorney McGregor Scott also announced that attorney MICHAEL E. O'NEAL, the president and 100% shareholder of American Law Center, waived indictment and pled guilty on Tuesday to one count of filing a false corporation income tax return for the 2001 tax year.

If convicted, the maximum penalty under federal law for each offense of filing a false corporation income tax return is imprisonment for not more than 3 years, a fine of \$250,000 or twice the amount of the tax loss, which would make the fine \$1,213,000 in this case, a term of supervised release of one year, and a special assessment of \$100 per count of conviction.

According to Assistant United States Attorneys Robert M. Twiss and Phillip A. Talbert, who are prosecuting the case, information presented in court establishes that the defendants skimmed approximately \$1,788,773 during the period from 1999 to 2001, and that the amount of under-reported corporation income tax was approximately \$606,989. Court documents show that the defendants moved money from the bank accounts of American Law Center through a series of alter ego nominee entities and bank accounts, before being spent for the personal benefit of the defendants.

According to IRS Criminal Investigation SAC Wirth, "No one is above the law. Those that cheat the tax system, cheat all the honest taxpayers and run the risk of being caught, prosecuted and sent to prison. The principals of the American Law Center should have paid their fair share of the tax burden or run the risk of suffering the consequences."

The charges are only allegations and the defendants are presumed innocent until and unless proven guilty beyond a reasonable doubt.

###